

**GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA**

UNSTARRED QUESTION NO:4988
ANSWERED ON:25.08.2000
PRIVATISATION OF PSUS
RAGHUNANDAN LAL BHATIA

Will the Minister of DISINVESTMENT be pleased to state:

- (a) whether the Government have decided to switch over to privatization as an alternative disinvestment in Public Sector Undertakings;
- (b) if so, whether the Government is adopting to the strategic sale option, where a substantial stake is sold through a bidding process to the private companies operating in the public sector; and
- (c) if so, the details thereof?

Answer

Minister of State of the Department of Disinvestment (Shri Arun Shourie)

- (a) No, Sir. Privatization is a form of disinvestment which involves sale of equity of the company along with transfer of management and ownership.
- (b) & (c) The Government's decision to disinvest its equity in any Public Sector Enterprise is based on the recommendations of the Disinvestment Commission or other expert bodies. Out of 58 companies referred to it, the Disinvestment Commission has recommended strategic sale / trade sale involving transfer of management and ownership in 37 cases. In some of these companies Government has decided to sell its equity through strategic sale. The process of strategic sale involves competitive bidding in which foreign as well as Indian bidders, if eligible, participate.